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COMMITTEES:
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INTELLIGENCE

RULES AND ADMINISTRATION

September 14, 2016

The Honorable Tom Wheeler
Chairman
Federal Communications Commission (FCC)
445 12th Street SW
Washington, DC 20554

Received & Inspected
SEP 20 2016
FCC Mail Room

Dear Chairman Wheeler,

On May 9, 2014 President Obama signed into law the Digital Accountability and Transparency (DATA) Act of 2014 (Pub.L. 113-101). The DATA Act presents both challenges and opportunities for your agency, and when fully implemented will create transparency for federal funds, set government-wide financial data standards, reduce reporting requirements of federal award recipients, and improve overall data quality. The efforts of each agency are essential to achieving the aims of this law. As I introduced this law in Congress, I remain strongly committed to robust oversight of DATA Act implementation and to ensuring that federal agencies are able to fully implement this crucial law.

On March 31 of this year, I wrote to all agencies, including yours, asking that the implementation of the DATA Act be prioritized, and requesting information on the challenges faced. I was appreciative of the time taken to respond, and was heartened that many agencies appear to be harnessing the potential of the DATA Act. At the same time, I have heard several common challenges. In particular, multiple agencies have highlighted both resource constraints and issues related to the use of legacy financial management systems that will require some agencies to bear greater costs or update their systems in order to implement the law.

One additional challenge cited by multiple agencies was the delay in receiving government-wide guidance and the final technical schema from OMB and Treasury, which is essential to implementing the law in a timely and effective fashion. As you are aware, the Administration finalized the DATA Act Information Model Schema on May 3rd, and provided additional implementation guidance. This was a critical step forward.

My understanding is that in June 2016, agencies were asked to resubmit their updated implementation plans based on the new OMB and Treasury guidance, since those initial plans had been submitted in September 2015, well before the guidance was final. I thus respectfully request that you share your agency's resubmitted plan with me, in addition to any new resource- or other challenges your agency has identified to date, on the basis of this new guidance.

If I can be of assistance in addressing implementation challenges at your agency, please contact Rafi Martina on my staff at 202-224-2023 or Rafi_Martina@warner.senate.gov. Thank

you again for your efforts to prioritize the implementation of the DATA Act and to fully leverage the potential of this exciting opportunity to transform federal spending and governance.

Sincerely,

A handwritten signature in blue ink that reads "Mark R. Warner". The signature is written in a cursive, flowing style.

Mark R. Warner
United States Senator

FEDERAL COMMUNICATIONS COMMISSION

Washington, D.C. 20554

OFFICE OF
MANAGING DIRECTOR

December 19, 2016


The Honorable Mark Warner
United States Senate
475 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Warner:

Thank you for your letter regarding the Commission's updated Digital Accountability and Transparency (DATA) Act implementation plan. I appreciate your interest in this matter, and am pleased to provide the enclosed document on this issue from the FCC's Managing Director.

If you have any additional questions or need any further assistance, please do not hesitate to contact me.

Sincerely,



Mark Stephens

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FCC DATA Act Plan

I. Background

The Digital Accountability and Transparency (DATA) Act builds upon reporting requirements previously issued, including the Federal Funding Accountability and Transparency Act (FFATA) and the Recovery Act's Government Accountability and Transparency Board (GATB). Many of the elements that are included as part of the DATA Act are already existing in Federal Procurement Data System (FPDS). However, in addition to the Award/Procurement element already included in FPDS, there are several new elements that need to be addressed.

II. Implementation Timeframe

The implementation of the DATA Act is broken down into phases/activities each with an expected completion date. The subset of phases/activities recommended by OMB and Treasury is provided in the table below. Please note that the information in the table below pertains specifically to the FCC's annual appropriations for salaries and expenses; the FCC's annual appropriations also includes auctions funds. Separate and apart from the FCC's appropriations, the FCC oversees the Universal Service Fund (USF), Telecommunications Relay Services (TRS) Fund, and the North American Numbering Plan (NANP) Fund. The FCC has determined that the DATA Act does not apply to the NANP fund. The FCC's plans for the USF and TRS funds are discussed in more detail in Section IV. The status table contains several columns that are briefly described below.

Activity. This column corresponds to the phase as outlined by OMB and Treasury in earlier guidance regarding the eight-step implementation plan of the Data Act.

Initial Expected Completion. This date represents the date that was initially planned based on review of requirements prior to the removal of the duplicate FPDS elements and final issuance of version 1 of the RSS on April 29, 2016.

Substantial Completion Date. This field is populated for phases that are complete pending final review. In theory, phases that have a date populated here could be considered complete, however a 15 percent buffer is currently maintained pending final review for all stakeholders that will not occur until the first completed submission through the beta data broker (currently there are some defects on the Treasury broker preventing this).

Percent Complete. Indicates the percentage complete of the activities related to the specified phase.

FCC Status Comments. This column is provided to give context to the completion numbers and a brief summary of why it is or is not complete.

Activity	Initial Expected Completion	Substantial Completion Date	Percent Complete	FCC Status Comments
Senior Accountable Official (SAO)	February 2016	February 2016	100%	The FCC has designated the Acting CFO as its current SAO. The FCC is in the process of hiring a new Chief Data Officer. When that position is filled, the Chief Data Officer will take on the role of SAO.
Organize team	February 2016	February 2016	100%	Completed.
Review Elements	April 2016	May 2016	100%	Based on the RSS document (RSS ID: RSS_v1.0) issued on April 29, the data elements have been reviewed and all elements have been incorporated into the design and development of new extract.
Inventory Data	May 2016	May 2016	100%	Completed.
Design and Strategize	May 2016 – October 2016	August 2016	100%	The design of the Data Act Extract was simplified by the fact that the final RSS allowed for a CSV format and also became much more general ledger based and eliminated the redundant FPDS fields that were not captured in the core financial. As a result, we were able to use business objects to pull the accounting data directly from the general ledger using the mappings provided on the RSS. As you can see from the “Review” and “Inventory” phases – all elements are believed to be addressed.

Activity	Initial Expected Completion	Substantial Completion Date	Percent Complete	FCC Status Comments
Execute broker/extract	October 2016 – November 2016	August 2016	85%	<p>As mentioned in the “Design and Strategize” phase, the extract was simplified allowing for quicker completion. Assuming requirements remain unchanged and the PIID/Acquisition elements are properly and accurately mapped the development of the extract has been substantially completed.</p> <p><i>Estimated full completion date – 12/31/2016</i></p>
Test broker implementation	November 2016 – February 2017	Expected – September 2016	60%	<p>Multiple files have been submitted to the data broker. The last test file submitted revealed eight errors that were the result of a defect in the beta broker that has been reported to Treasury. Based on correspondence with Treasury this defect was going to be fixed in early August and testing will be picked up starting August 15, 2016.</p> <p><i>Estimated full completion date – 12/31/2016</i></p>

Activity	Initial Expected Completion	Substantial Completion Date	Percent Complete	FCC Status Comments
Update Systems	October 2015 – February 2017	N/A	70%	<p>The hope is that the core system (Genesis) will not require modifications. Instead, the data extraction in the Execute Broker phase will allow for the needed data translation as needed. Note – one of the key elements is Award ID that is already defined as the obligation document number in Genesis.</p> <p>There was one system change applied to allow object code to be captured on system generated recovery and spending adjustments. There is a further review of object code balances since there appear to be some balances with a null object code. The majority of this activity (90%) was related to the spending adjustments and recoveries that was already corrected (retroactively and prospectively), but a review of the remaining 10% is continuing. As it stands now, this relates to old (2011, 2012) data brought forward in beginning balances and accrual JV/SV activity.</p> <p><i>Estimated full completion date – 01/31/2017</i></p>
Submit Data	March 2016 – May 9, 2017	N/A	0%	<p>Not started.</p> <p><i>Estimated full completion date – 02/28/2017</i></p>

III. FCC System Impacts

Based on the most recent RSS data requirements issued on April 29, 2016, it is believed that there will be no major system impacts. The removal of the acquisition elements from the agency submission responsibilities reduced the complexity of the extract and based on the latest requirements the FCC believes that all data elements are currently captured in the core financial system and will not require system or business process modification. There are minor adjustments that will be reviewed to ensure object code is correctly captured on transaction but the impact is expected to be minimal.

IV. Next Steps

The following items need to be addressed over the next several months to lead the FCC towards Data Act compliance:

1. Finalize testing with the beta data broker. The most recent test showed that files passed edits with the exception of errors that were related to a defect of validation B4. However, it should be noted that the broker is being updated with validations and such so new errors may appear in future tests as the broker matures. We expect to continue testing each month until we go live to head off errors as they are encountered.
2. Finalize reconciliation of PIID activity between core financial system and FPDS and augment that reconciliation to include the data source used to facilitate the data act extract.
3. Reconcile quarter data act extract to the SF133 resulting from the GTAS submission to comparable balances in File A and B.
4. Finalize treatment/configuration to remedy null object code balances. The balance with a null object code is very small relative to the overall activity.
5. Monitor RSS changes as they are issued and stay current with requirements.
6. Implement a routine process within the FCC to regularly test the accuracy of the contract data being reported by the FCC into the Federal Procurement Data System (FPDS-NG) to ensure that the data is accurate and to minimize the risk of any data elements being incorrectly reported as much as possible.
7. Resolve outstanding DATA Act questions and potential implementation problems related to the FCC's reporting components (USF and TRS) concerning their payments both for contracts and to beneficiaries. The FCC is working with its General Counsel, its reporting components, and the Office of Management and Budget (OMB) to find a solution to these issues.

a. USF – Additional Background on Status

- i. The Universal Service Administrative Company (USAC) is an independent, not-for-profit corporation designated by the FCC under its rules as the administrator of the USF. USAC works to protect the integrity of universal service through informing and educating program audiences, collecting and distributing contributions, and promoting program compliance.
- ii. To implement the universal service requirements of the Telecommunications Act of 1996, the FCC established four USF programs:
 1. The High Cost Program provides support to eligible telecommunications companies that in turn offer rates and service comparable to those available in urban areas.
 2. The Lifeline Program provides support to telecommunications companies that in turn offer discounts to eligible consumers.

3. The Rural Health Care Program provides support to eligible rural health care providers that qualify for reduced rates.
 4. The Schools and Libraries (E-rate) Program provides discounts to eligible schools and libraries that qualify for reduced rates.
- iii. USAC has never been subject to the reporting requirements for contracts into FPDS, nor has USAC ever reported its beneficiary payments through the Federal Assistance Award system.
 - iv. The FCC is working with USAC, the FCC's General Counsel, and OMB to determine whether the contracts and assistance payments made with USF funds should be exempt from the contract and assistance reporting requirements of the DATA Act. At this time, the FCC intends to report only on the appropriations and budgetary level data for USF required by the DATA Act as part of its DATA Act reporting.
 1. Once the FCC reaches a decision about the contract and assistance payments made with USF funds, the FCC will update its plan accordingly to describe the outcomes of that effort and to provide any additional information about potential next steps for USAC and USF, depending on what determination is ultimately made.

b. TRS – Additional Background on Status

- i. On March 7, 2011, the FCC awarded Rolka Loube, LLC (RL) of Harrisburg, PA a contract to administer the TRS fund. TRS enables a person with a hearing or speech disability to access the telephone system and communicate with persons without such a disability. In its role as TRS fund administrator, RL is responsible for collecting contributions to the TRS fund from carriers and for making payments to beneficiaries who provide services covered by the FCC's TRS-related rules.
- ii. The TRS fund administrator has never been subject to the reporting requirements for contracts into FPDS, nor has the TRS fund administrator ever reported TRS beneficiary payments through the Federal Assistance Award system.
- iii. The FCC is working with RL, the FCC's General Counsel, and OMB to determine whether the contracts and assistance payments made with TRS funds should be exempt from the contract and assistance reporting requirements of the DATA Act. At this time, the FCC intends to only report on the appropriations and budgetary level data for TRS required by the DATA Act as part of its DATA Act reporting.
- iv. Once the FCC reaches a decision about the contract and assistance payments made with TRS funds, the FCC will update its plan accordingly to describe the outcomes of that effort and to provide any additional information about potential next steps for RL and TRS, depending on what determination is ultimately made.

V. Risks

1. The current risk for the FCC related to the Data Act requirements surround the proper recordation of two data elements:
 - a. PIID – ensuring that the PIID provided on File C is accurate and related general ledger balances correctly represent the current year activity related to the PID. This risk will be mitigated by ensuring that there is a three way reconciliation that includes:
 - i. Reconciliation of balances from acquisition records to FPDS.
 - ii. Reconciliation of balances from acquisition records to core financial system balances. It should be noted that the existing data act requirement does not require PIID on beginning balances and therefore only current period balances will be reflected on the Data Act extract. However, the reconciliation will summarize inception to date data from the core financial system to provide a complete reconciliation.
 - b. Budget Object – during development of the report it was identified that there are a few balances with a null object code. The majority of this activity has been addressed by modifying system configuration but a small percentage needs further review. This risk will be mitigated by researching the older balances and entering a journal voucher at the object code level to allocate to the proper object code or to include logic in the report to allocate the null balances based on agreed upon percentages.
2. The other risks, outside of the two elements identified above, revolve around factors outside the control of the FCC, including:
 1. The beta data broker is receiving updates on a periodic basis that may invoke edits/validations that were not invoked in prior tests. To mitigate this risk, FCC will conduct tests on a monthly basis to keep up to date with changes to the beta data broker.
 2. Any requirements changes or additional compliance requirements introduced as part of the data act could extend the expected level of effort.

VI. Level of Effort

To date the FCC has used approximately one FTE for three months to achieve the percentage complete milestones identified above. The FTE was allocated across multiple staff members in varying intervals of time and related to the following activities:

1. Three stakeholder meetings for appropriately 10 staff members to discuss and agree upon data elements. (2% of time)
2. Initial review by analyst of various requirements documents from January through April 29. (18%)
3. Development of the business objects report used to extract data in the file formation for the data act submissions. (55%)

4. Data broker testing – submitting files and resolving issues raised by the submissions. (15%)
5. Review of balances in the core financial system to determine any configuration/process changes required to adhere to requirements. (10%)

The level of effort was aided by several changes in the final requirements that allowed submission of CSV files instead of xml files as well as the change to a general ledger centric data submission (eliminating the need to pull in FPDS data).

The table below provides estimated level of effort to achieve DATA act compliance. The FTEs are not necessarily linear in terms of time, only meant to indicate that over the course of the next 16 months the FTEs will be utilized in some capacity.

Activity	Number of FTE's	Comments	Expected Completion
Finalize Data Inventory	5 people for 1.5 weeks.	The 5 people includes 1 stakeholder from each group plus CGI.	12/01/2016
Update Systems	0 FTE	This may change but based on preliminary assessment there do not appear to be any system changes required. This also assumes that in some way the FPDS data elements that are not in Genesis can utilize the FPDS data directly.	N/A
Design Extract	1 person 3 weeks	As a result of the simplified RSS this activity has made signification progress. However, until sign off from all stakeholders it is not considered completed and with the continual maturity of the beta broker it is reasonable to believe	12/31/2016

Activity	Number of FTE's	Comments	Expected Completion
		further changes may be required.	
Test Extract (internally)	1 person for 2 weeks	Testing includes time to resolve defects and issued encountered.	12/31/2016
Test Extract (externally)	1 person for 3 weeks	Testing includes time to resolve defects and issued encountered.	12/31/2016